

MONTEREY COUNTY ECONOMIC FORECAST

Monterey County is located on the central coast of California. Farming is a vital component of the county's economy, accounting for over \$5 billion in total output and approximately 28 percent of all wage and salary jobs. Lettuce is the principal crop in the region, with Monterey County producing roughly half of all lettuce in the United States. In addition, Monterey is one of California's leading producers of strawberries.

Monterey County has a population of 441,100 people and a total of 190,300 wage and salary jobs. The income per capita is \$51,409 and the average salary per worker is \$57,601.

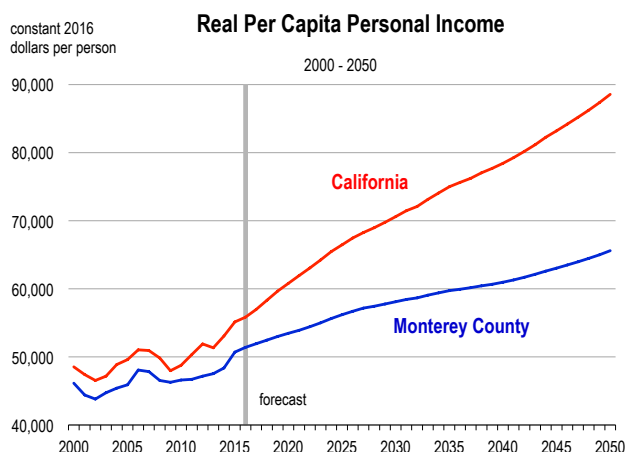
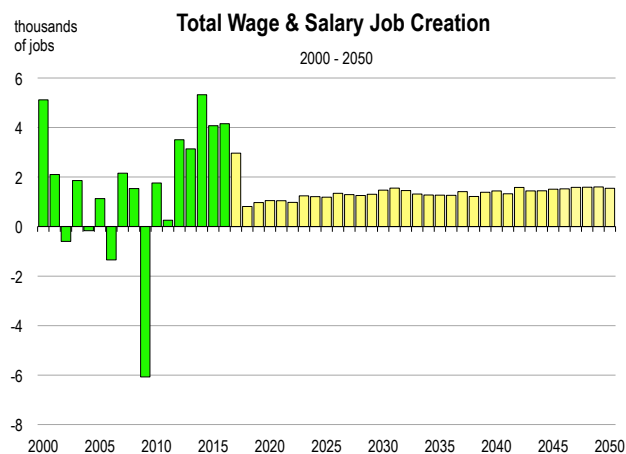
In 2016, a total of 4,200 wage and salary jobs were created in Monterey County, representing an increase of 2.2 percent. Farm employment increased by 1.5 percent, while nonfarm employment grew by 2.6 percent. The unemployment rate also improved, falling from 8.2 percent in 2015 to 7.6 percent in 2016.

During 2016, the largest job gains occurred in leisure and hospitality (+890 jobs), government (+840 jobs), agriculture (+770 jobs), construction (+640 jobs), and professional and business services (+600 jobs). The largest losses were in information (-170 jobs) and manufacturing (-140 jobs).

Between 2011 and 2016, the population of Monterey County grew at an average rate of 1.0 percent per year. Most of this growth can be attributed to the natural increase (new births), as net migration was low.

FORECAST HIGHLIGHTS

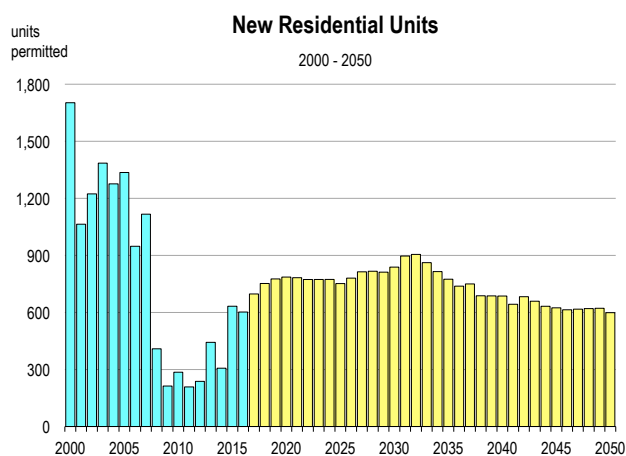
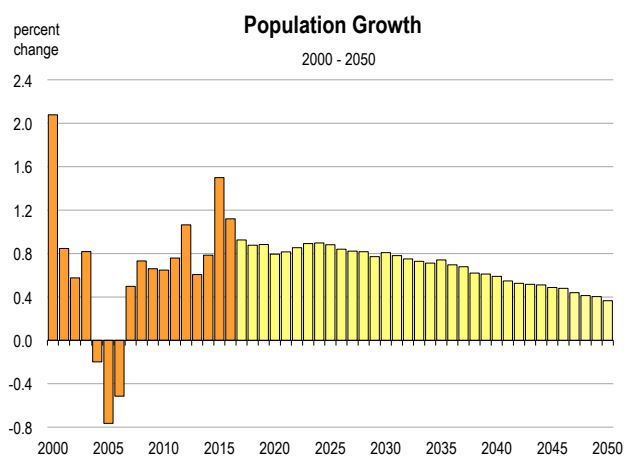
- Total employment is expected to increase by 1.6 percent in 2017. Between 2017 and 2022, growth will average 0.5 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Monterey County, inflation-adjusted salaries are expected to rise by an average of 1.1 percent per year between 2017 and 2022.
- Between 2017 and 2022, the largest employment gains will be observed in education and healthcare, professional and business services, leisure and hospitality, and wholesale and retail trade. Together, these sectors will account for 83 percent of net job creation in the county.
- Over the 2017-2022 period, annual population growth is expected to average 0.8 percent per year.
- Between 2017 and 2022, net migration will be positive but low, with an average of just 280 net migrants entering the county each year.
- Real income per capita is expected to rise by 1.1 percent in 2017. Between 2017 and 2022, real income per capita will increase by 0.9 percent per year.
- Total taxable sales, adjusted for inflation, will rise by an average of 1.0 percent per year from 2017 to 2022.
- Industrial production is expected to increase by 6.2 percent in 2017. From 2017 to 2022, the growth rate of industrial production will average 2.0 percent per year.
- Farm production is expected to increase by 0.7 percent per year between 2017 and 2022. The principal crops in the county are lettuce and strawberries.



Monterey County Economic Forecast

2010-2016 History, 2017-2050 Forecast

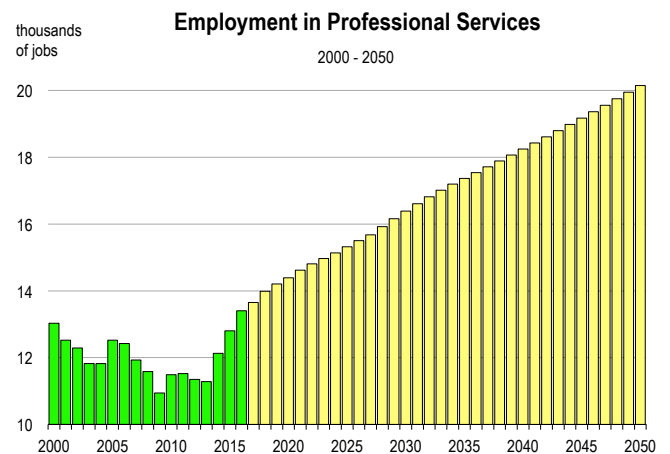
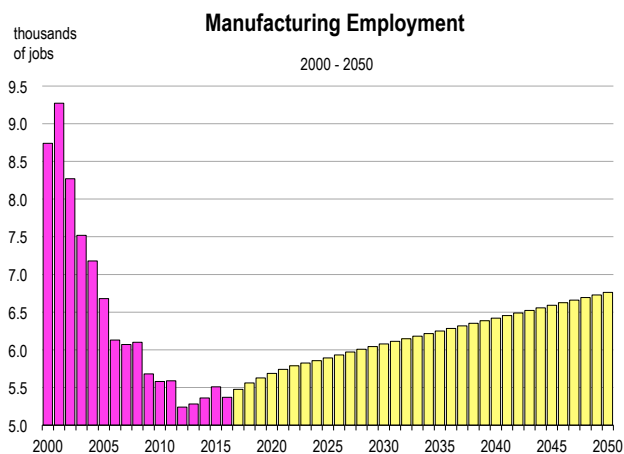
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	416,265	-1,887	352	125	285	\$5.0	\$17.2	\$46,618	1.3	4.51	1.94	12.9
2011	419,417	-1,382	348	125	208	\$5.3	\$17.9	\$46,694	2.7	4.22	1.87	12.8
2012	423,881	40	350	125	238	\$5.6	\$18.7	\$47,177	2.7	4.29	1.89	11.7
2013	426,453	-1,524	361	125	442	\$5.9	\$19.2	\$47,538	2.3	4.63	1.97	10.4
2014	429,797	-718	369	126	307	\$6.2	\$20.0	\$48,359	2.8	4.66	2.02	9.1
2015	436,242	2,490	379	126	632	\$6.4	\$21.6	\$50,701	2.6	4.95	2.09	8.2
2016	441,129	1,187	391	126	602	\$6.7	\$22.7	\$51,409	3.0	4.99	2.04	7.6
2017	445,209	500	397	127	697	\$7.0	\$23.8	\$51,951	3.1	5.01	2.17	7.0
2018	449,111	339	403	127	752	\$7.2	\$24.9	\$52,481	3.0	5.04	2.19	6.9
2019	453,075	325	408	128	776	\$7.5	\$26.1	\$53,016	2.6	5.08	2.23	6.8
2020	456,672	78	413	128	786	\$7.8	\$27.3	\$53,470	3.1	5.11	2.29	6.9
2021	460,393	256	417	129	782	\$8.1	\$28.5	\$53,916	3.0	5.15	2.33	7.1
2022	464,322	403	421	129	773	\$8.4	\$29.8	\$54,420	3.0	5.20	2.39	7.3
2023	468,462	588	425	130	773	\$8.7	\$31.2	\$55,001	3.0	5.24	2.46	7.5
2024	472,665	603	428	131	773	\$9.1	\$32.7	\$55,642	2.9	5.29	2.52	7.6
2025	476,829	650	431	131	752	\$9.4	\$34.1	\$56,205	2.9	5.34	2.57	7.7
2026	480,833	561	434	132	780	\$9.7	\$35.5	\$56,699	2.8	5.39	2.63	7.8
2027	484,785	524	437	132	813	\$10.1	\$36.8	\$57,176	2.9	5.45	2.69	7.8
2028	488,744	532	440	133	816	\$10.4	\$38.2	\$57,451	2.7	5.51	2.77	7.8
2029	492,513	467	442	134	812	\$10.8	\$39.6	\$57,772	2.5	5.57	2.84	7.9
2030	496,492	629	445	134	838	\$11.2	\$41.1	\$58,094	2.4	5.63	2.92	7.9
2031	500,368	543	447	135	896	\$11.6	\$42.5	\$58,439	2.3	5.70	3.00	7.9
2032	504,121	512	449	136	905	\$12.1	\$44.0	\$58,653	2.5	5.77	3.09	7.9
2033	507,792	409	451	136	862	\$12.5	\$45.4	\$59,055	2.1	5.84	3.17	7.9
2034	511,406	411	454	137	815	\$12.9	\$47.0	\$59,414	2.3	5.91	3.26	7.9
2035	515,194	456	456	138	774	\$13.3	\$48.7	\$59,750	2.4	5.98	3.35	7.9
2036	518,779	489	457	138	738	\$13.8	\$50.5	\$59,951	2.8	6.06	3.44	7.9
2037	522,297	437	459	139	750	\$14.3	\$52.4	\$60,157	2.9	6.14	3.54	7.9
2038	525,534	316	461	139	687	\$14.7	\$54.2	\$60,435	2.7	6.22	3.64	7.9
2039	528,744	262	463	140	687	\$15.1	\$56.3	\$60,680	2.9	6.31	3.74	7.9
2040	531,862	190	465	140	686	\$15.6	\$58.3	\$60,958	2.8	6.39	3.84	7.9
2041	534,773	141	466	141	643	\$16.1	\$60.4	\$61,296	2.6	6.48	3.95	7.9
2042	537,583	161	468	141	683	\$16.5	\$62.5	\$61,710	2.5	6.57	4.06	7.9
2043	540,359	113	470	142	659	\$17.0	\$64.7	\$62,125	2.4	6.67	4.17	7.9
2044	543,119	143	471	142	632	\$17.4	\$66.8	\$62,616	2.2	6.76	4.29	7.9
2045	545,765	87	473	143	624	\$17.9	\$69.1	\$63,043	2.4	6.86	4.41	7.9
2046	548,380	74	474	143	614	\$18.4	\$71.4	\$63,493	2.3	6.96	4.53	7.9
2047	550,789	21	476	144	617	\$18.8	\$73.8	\$63,967	2.3	7.07	4.66	7.9
2048	553,061	-39	478	144	620	\$19.3	\$76.2	\$64,476	2.3	7.17	4.79	7.9
2049	555,291	-96	479	145	622	\$19.8	\$78.8	\$65,013	2.3	7.28	4.92	7.9
2050	557,319	-163	481	145	599	\$20.4	\$81.5	\$65,584	2.3	7.39	5.06	7.9

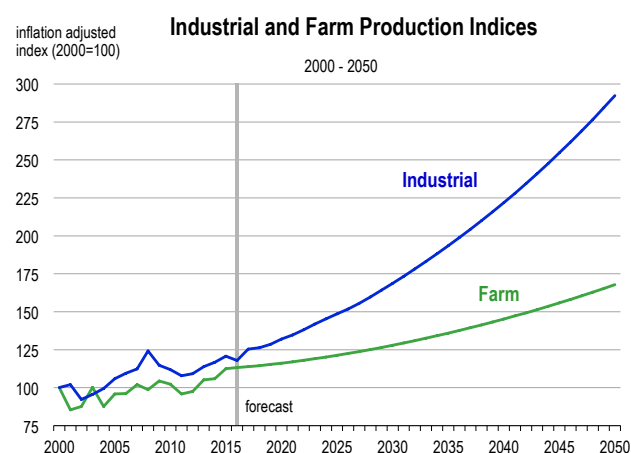
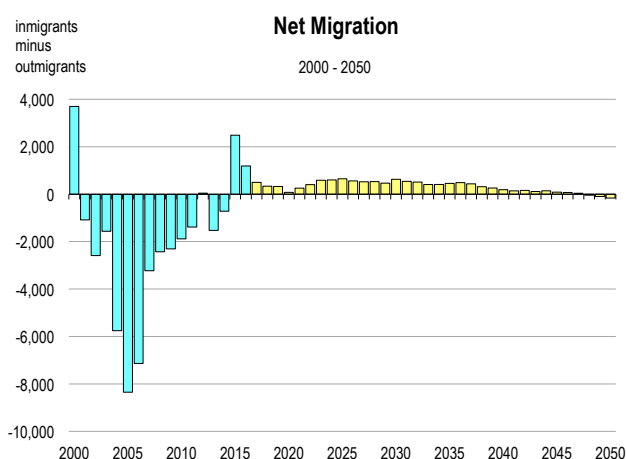
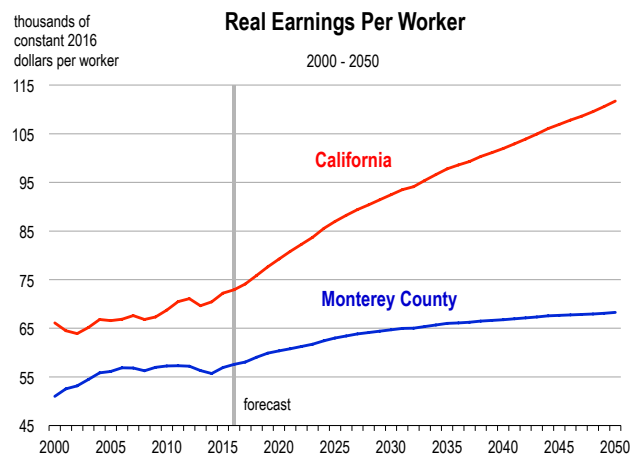
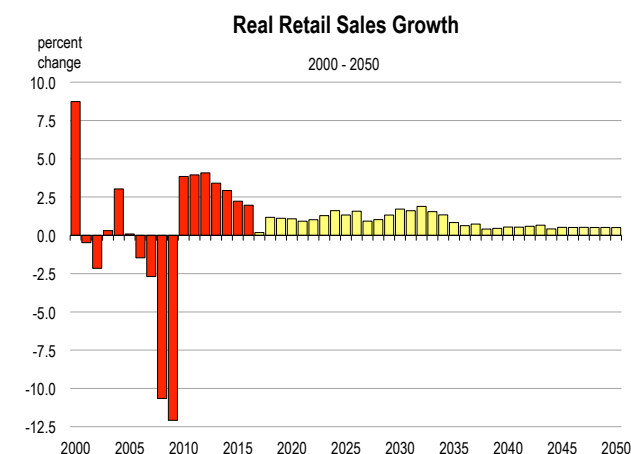


Monterey County Employment Forecast

2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	169.8	45.1	4.1	5.6	3.3	20.2	4.3	11.5	1.7	16.5	20.0	32.6
2011	170.0	46.3	3.8	5.6	3.4	20.6	4.1	11.5	1.6	16.5	20.2	31.7
2012	173.5	48.2	4.1	5.2	3.8	21.0	4.2	11.4	1.5	16.8	21.2	31.3
2013	176.7	50.1	4.5	5.3	4.0	21.3	4.0	11.3	1.5	17.5	21.9	30.2
2014	182.0	52.2	4.9	5.4	4.2	21.6	4.0	12.1	1.4	18.0	22.8	30.6
2015	186.1	53.0	5.2	5.5	4.3	21.7	4.1	12.8	1.3	18.4	23.4	31.1
2016	190.3	53.7	5.9	5.4	4.3	22.0	4.2	13.4	1.1	18.6	24.3	31.9
2017	193.2	54.6	6.0	5.5	4.4	22.1	4.2	13.7	1.2	19.0	24.6	32.4
2018	194.0	54.4	6.2	5.6	4.5	22.3	4.1	14.0	1.2	19.2	24.8	32.3
2019	195.0	54.4	6.3	5.6	4.5	22.4	4.0	14.2	1.3	19.4	25.0	32.4
2020	196.0	54.3	6.3	5.7	4.5	22.5	4.0	14.4	1.3	19.6	25.3	32.5
2021	197.1	54.3	6.3	5.7	4.6	22.6	4.0	14.6	1.3	19.8	25.7	32.6
2022	198.1	54.3	6.2	5.8	4.6	22.6	4.0	14.8	1.4	20.0	26.0	32.7
2023	199.3	54.4	6.2	5.8	4.6	22.7	4.0	15.0	1.4	20.2	26.4	32.8
2024	200.5	54.6	6.2	5.9	4.6	22.9	4.0	15.1	1.4	20.3	26.6	33.1
2025	201.7	54.8	6.1	5.9	4.6	23.0	4.1	15.3	1.5	20.5	26.7	33.3
2026	203.1	55.1	6.2	5.9	4.6	23.1	4.2	15.5	1.5	20.6	26.8	33.6
2027	204.3	55.3	6.3	6.0	4.6	23.2	4.2	15.7	1.6	20.8	27.0	33.9
2028	205.6	55.5	6.3	6.0	4.6	23.3	4.2	15.9	1.6	21.0	27.1	34.0
2029	206.9	55.8	6.3	6.0	4.6	23.4	4.2	16.2	1.6	21.2	27.3	34.2
2030	208.4	56.0	6.3	6.1	4.6	23.5	4.2	16.4	1.6	21.5	27.5	34.4
2031	209.9	56.3	6.5	6.1	4.6	23.6	4.2	16.6	1.7	21.7	27.7	34.5
2032	211.4	56.6	6.5	6.1	4.7	23.8	4.2	16.8	1.7	22.0	27.9	34.7
2033	212.7	56.9	6.4	6.2	4.7	23.9	4.2	17.0	1.7	22.2	28.1	34.9
2034	214.0	57.2	6.3	6.2	4.7	24.0	4.3	17.2	1.8	22.5	28.3	35.1
2035	215.3	57.5	6.2	6.2	4.7	24.1	4.3	17.4	1.8	22.7	28.5	35.2
2036	216.5	57.8	6.2	6.3	4.7	24.2	4.3	17.5	1.8	23.0	28.7	35.4
2037	217.9	58.1	6.2	6.3	4.7	24.2	4.3	17.7	1.9	23.2	29.0	35.5
2038	219.1	58.4	6.0	6.4	4.7	24.3	4.3	17.9	1.9	23.5	29.2	35.7
2039	220.5	58.8	6.1	6.4	4.7	24.3	4.3	18.1	1.9	23.8	29.4	35.9
2040	222.0	59.1	6.1	6.4	4.7	24.4	4.3	18.2	2.0	24.0	29.6	36.0
2041	223.3	59.5	6.0	6.5	4.7	24.4	4.3	18.4	2.0	24.3	29.8	36.2
2042	224.9	59.9	6.1	6.5	4.8	24.5	4.3	18.6	2.0	24.6	30.1	36.4
2043	226.3	60.2	6.0	6.5	4.8	24.6	4.3	18.8	2.0	24.9	30.3	36.5
2044	227.8	60.6	6.0	6.6	4.8	24.6	4.3	19.0	2.1	25.2	30.5	36.7
2045	229.3	61.0	6.0	6.6	4.8	24.7	4.4	19.2	2.1	25.5	30.7	36.9
2046	230.8	61.4	5.9	6.6	4.8	24.7	4.4	19.4	2.1	25.8	31.0	37.1
2047	232.4	61.8	6.0	6.7	4.8	24.8	4.4	19.6	2.2	26.1	31.2	37.3
2048	234.0	62.3	6.0	6.7	4.8	24.8	4.4	19.7	2.2	26.4	31.4	37.5
2049	235.6	62.7	6.0	6.7	4.8	24.9	4.4	19.9	2.2	26.7	31.7	37.7
2050	237.1	63.2	6.0	6.8	4.8	24.9	4.4	20.1	2.3	27.0	31.9	37.8





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	5.4%
Expected job growth:	2.5%
Fastest growing jobs sector:	Information
Expected personal income growth:	9.3%

Expected population growth:	4.3%
Net migration to account for:	7.3%
Expected growth in number of vehicles:	6.1%

Demographics (2017)

Unemployment rate (April 2017):	7.2%
County rank* in California (58 counties):	42nd
Working age (16-64) population:	63.5%

Population with B.A. or higher:	22.0%
Median home selling price (2016):	\$497,000
Median household income:	\$62,834

Quality of Life

Violent crime rate (2015):	430 per 100,000 persons
County rank* in California (58 counties):	35th
Average commute time to work (2017):	24 minutes

High School drop out rate (2016):	7.3%
Households at/below poverty line (2017):	13.5%

* The county ranked 1st corresponds to the lowest rate in California